



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/442,819	11/18/1999	WARREN F. SCHMALENBERGER	SCHC,002	6427

7590 11/30/2006

Mark R. Wisner
Wisner & Associates
Suite 400
1177 West Loop South
Houston, TX 77027-9012

EXAMINER

FELTEN, DANIEL S

ART UNIT	PAPER NUMBER
----------	--------------

3693

DATE MAILED: 11/30/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/442,819

Applicant(s)

SCHMALENBERGER, WARREN F.

Examiner

Daniel S. Felten

Art Unit

3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 August 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1/32 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Receipt of the Request for Continued Examination (“RCE”) filed August 25, 2006 is acknowledged. Claim 11 has been currently amended to delete the language of “the most recent investment grade corporate bonds with representation by maturity of over \$100 million.” Claims 1-15 are pending in the application and are presented to be examined upon their merits.

Response to Arguments

2. Applicant's arguments filed August 25, 2006 have been fully considered but they are not persuasive.

Regarding the § 101 rejection:

It is respectfully asked that the applicant read *State Street* again *carefully* with respect to the presented claims. As applicant pointed out in the response, *State Street*, it indicates “[T]ransformation of data representing discrete dollar amounts, *by a machine* through a series of mathematical calculations into a final share price, constitutes a practical application of mathematical algorithm, formula, or calculation, because it produces ‘a useful, concrete and tangible result’...” It is maintained that the current claim language broadly interpreted and presented in the method of claims 1 and 7 can be performed by a person with a pencil and paper. It is still considered an abstract concept because there is no indication in the claim language that the method is being performed by a machine outside of a person’s brain.

The applicant also argues that, “Any set of rules embodied in a computer program may be considered an algorithm.” It is respectfully submitted that the applicant has not claimed *an algorithm* and that in the definition of an algorithm does not have to include a computer

Art Unit: 3693

program, but can be defined as a set of rules for solving a problem in a finite number of steps (see www.dictionary.com).

The applicant should further consider that claims are given their broadest reasonable interpretation consistent with the supporting description. However, the interpretation of claims is done in light of the specification without reading limitations of the specification into the claim (see *In re Morris* 127, F.3d 1048, 1054-58 44 USPQ2d 1023, 1027-28) Thus because of the reasons stated above, the § 101 rejection is maintained.

Regarding the § 103(a) rejection:

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

3. In response to applicant's attempt to argue Reilly as nonanalogous art because it was previously written that Reilly anticipates the inventive concept of the applicant's invention, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, Reilly provides a comprehensive list

Art Unit: 3693

of combined market sector indexes which comprehensively measure the total return of securities in international sectors. The Examiner interprets Reilly's statement, "...several firms have developed composite series that reflect the performance of *all securities of a given country*, these composite series attest to the importance of diversifying..., but also between equities and bonds" to suggest an inclusive statement of diversifying, not an exclusive statement of only. Moreover the definition of securities is not limited to stocks and bonds but also instruments giving their holder a right to money (liquid) (see Barron's Dictionary of Business Terms). In normal business practice the practice of diversifying a portfolio is a well know concept which allows risk to be mitigated over a broad field of investment. Balanced Funds and/or asset allocation funds. It would have been obvious for an artisan at the time of the invention to recognize that the more diversified a portfolio is, the less risk. Thus such a modification would be an obvious expedient well within the ordinary skill in the art.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 28-32 rejected under 35 U.S.C. 103(a) as being unpatentable over Reilly, F.K. "Investment Analysis and Portfolio Management", 3rd Ed. The Dryden Press, Copyright 1989, pp. 165-170.

Art Unit: 3693

See Office action April 13, 2006 and the response to arguments above for reasoning for rejections of these claims.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel S. Felten whose telephone number is (571) 272-6742. The examiner can normally be reached on Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-66712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



DSF
11/22/2006

Daniel S Felten
Examiner
Art Unit 3693